

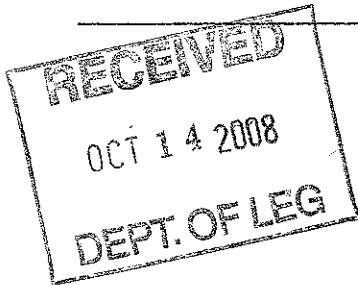
**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

**David C. Thomas  
System ID No. 0194555**

**Enforcement Case No. 08-5603**

**Respondent**



**Issued and entered  
on 10/14/08 2008  
by Stephen R. Hilker  
Chief Deputy Commissioner**

**CONSENT ORDER AND STIPULATION**

**A. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. At all pertinent times, David C. Thomas, ("Respondent") was a nonresident insurance producer, System ID No: 0194555, allowing him to engage in the business of selling, soliciting and/or negotiating accident and health, life, property, and casualty insurance in the State of Michigan.
2. At all pertinent times, Respondent engaged in the business of insurance from the last known principal place of business listed with the State of Michigan at: 105 Dronfield Drive, in Greenville, South Carolina, 29609.
3. On or about March 3, 2008, OFIR staff received a letter from the Agency Services Department for Foremost Insurance Company and Foremost Signature Insurance Company, indicating that effective February 20, 2008, the contract and appointments with Respondent were terminated and that Respondent no longer had authority to transact any business as their agent, because Respondent had violated the insurance law of the State of Michigan by failing to remit insurance premiums to the insurance companies.
4. Further, Foremost Insurance Company and Foremost Signature Insurance Company sent correspondence to Respondent requesting him to forward to them, all insurance premiums he collected while acting as their agent. However, according to Foremost Insurance Company and Foremost Signature Insurance Company, Respondent never replied to their requests, nor did he forward the insurance premiums that he collected while acting as their agent.

5. As a licensed insurance producer, Respondent knew or had reason to know that Section 1207(1) of the Code requires: "An agent to be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility."
6. As a licensed insurance producer, Respondent knew or had reason to know that Section 1239(1)(d) of the Code allows the Commissioner to place on probation, suspend, revoke, or levy a civil fine under Section 1244 or any combination thereof, for "Improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business."
7. As a licensed insurance producer, Respondent knew or had reason to know that Section 1239(1)(h) of the Code, allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under Section 1244 of the Code for "Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
8. Respondent collected insurance premiums on behalf of Foremost Insurance Company and Foremost Signature Insurance Company in the amounts shown below from the following people:

9. Based upon the documents received and reviewed by OFIR, Respondent, while acting as the agent for Foremost Insurance Company or Foremost Signature Insurance Company, collected a total of \$17,862.60 in insurance premiums, which he failed to forward to them.
10. Foremost Insurance Company and Foremost Signature Insurance Company were able to recover a total of \$1,301.23 of the \$17,862.60 of the insurance premiums Respondent collected while acting as their agent.
11. Foremost Insurance Company and Foremost Signature Insurance Company covered the \$16,561.37 in insurance premiums Respondent collected and honored the insurance policies of the above referenced policyholders, so they would not be adversely affected because they were not responsible for Respondent failing to forward the insurance premiums and because Respondent was the companies' agent and the policyholders acted in good faith believing they had purchased insurance policies from Respondent.
12. Respondent's failure to remit the insurance premiums to Foremost Insurance Company and Foremost Signature Insurance Company, which he held in his fiduciary and agent capacity, is prima facie evidence of violation of his fiduciary responsibility.
13. Based upon the Respondent collecting \$17,862.60 in insurance premiums and failing to remit the insurance premium to the insurer, Respondent has violated Section 1207(1) of the Code and is subject to licensing sanctions, civil fines, and/or other administrative remedies listed under Section 1239(1) and 1244(1) of the Code.
14. Based upon the Respondent collecting \$17,862.60 in insurance premiums in the course of doing insurance business and improperly withheld, misappropriated, or converted the insurance premiums, Respondent has violated Section 1239 (1)(d) of the Code, and is subject to licensing sanctions, civil fines, and/or other administrative remedies listed under Section 1239(1) and 1244(1) of the Code.
15. Based upon the Respondent's actions, he has used fraudulent, or coercive, or dishonest practices or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state in violation of Section 1239(1)(h) of the Code and is subject to licensing sanctions, civil fines, and/or other administrative remedies listed under Section 1239(1) and 1244(1) of the Code.

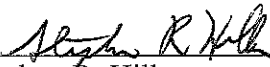
**B. ORDER**

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate with Section 1207(1) and 1239(1)(d) and (h) of the Code, MCL 500.1207(1), 500.1239(1)(d), and 500.1239(1)(h).
2. Respondent's insurance producer license and authority are hereby **REVOKED**.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

By: \_\_\_\_\_



Stephen R. Hilker

Chief Deputy Commissioner